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ABSTRACT

In this speech, Chancellor Thomas J. Nussbaum defends the existence of local governing boards for community colleges and offers suggestions for improving the current weak governance structure. He argues that doing away with local governing boards would: (1) create a greater inconsistency between the mission and the governance of the colleges; (2) result in the college staff and faculty being accountable to a governing body that is removed from the community; (3) decrease the governing body's effectiveness because a statewide body would have greater responsibilities; (4) require the state to generate new funds for the community colleges because local property taxes would not be distributed in the same way; and (5) remove an effective mechanism for selecting, supervising, advising, and evaluating local campus presidents on a regular basis. The Chancellor recognizes the three primary weaknesses of the current system, specifically the prescriptive style of the legislation in dealing with the boards, the reluctance of the governing boards to trust the local system boards, and the inappropriate influence of a coalition of community college organizations. In response, he presents six steps for enabling system governance to work, including: (1) establishing an ongoing series of joint meetings between the board of governors and the leadership of local trustees; (2) involving the local boards in the system's consultation process; and (3) reviewing and improving shared governance. (TGO)

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REFORMING THE GOVERNANCE OF CALIFORNIA COMMUNITY COLLEGES

Thomas J. Nussbaum, Chancellor of the California Community Colleges

20th Annual Earl V. Pullias Lecture
University of Southern California
March 14, 1998

Thank you, Dean Hentschke, for that very cordial and generous introduction. I loved every word of it. And good afternoon, distinguished colleagues, striving students, and friends and alumni of the USC School of Education. It is indeed an honor for me to deliver the 20th Earl V. Pullias Lecture in Higher Education. When I think of the wisdom and intellect of your past presenters--including Clark Kerr, Ernie Boyer, Patricia Cross, David Gardner, John Slaughter, as well as my counterparts Dick Atkinson, and Barry Munitz, and your own Steven Sample--I also cannot help but feel a little humbled. Still, my wish to do honor to Professor Pullias inspires me to offer my best thinking about a subject I have studied my entire professional career--community college governance.

Actually, today's topic, "Reforming the Governance of California Community Colleges, " needs very little introduction. Lately, almost everyone who analyzes or studies community college governance is using such terms as "dysfunctional," "totally unworkable, " and, "impossible." Witness, for instance, a very recent editorial in the*Los Angeles Times*, entitled, "Save the 2-Year Colleges." The article characterizes the "troubled community college system" as "the state's hardest and least visible educational challenge." In order to "save" the colleges, they must be freed from a shared governance structures that gridlock policy development. They must also be freed from faculty interests that increasingly dominate local governing boards.

Elsewhere, a recent edition of*The Chronicle of Higher Education*carries an article that headlines, "Leaders of California's 2-Year College System Say Governance Structure Is at a Breaking Point." The article quotes officials from both inside and outside the system who lay blame to a number of factors. They cite legislative micromanagement that has resulted in California Community Colleges having the largest Education Code in the country. They also cite the schizophrenia of combining state funding and extensive state control with local control and locally elected boards. And, again they contend that shared governance and collective bargaining have become increasingly stalemated and adversarial.

To go on, a paper developed just last month by the California Citizen's Commission on Higher Education notes, "the Community Colleges suffer from a dysfunctional system of finance and governance, in which they lack discretion over the level of general revenues, yet are told to govern themselves locally." The Commission goes on to declare, "We question the wisdom of continuing the existence of districts and elected trustees as the central focus of governance responsibility, a vestige of the colleges' roots in the K-12 system and the pre-Proposition 13 taxing authority of trustees."

And, just to make sure that no aspect of system governance is left unscathed, the processes for shared governance at the system level--known as "Consultation"-- and my own Board of Governors are also under fire. The Winter 1997 edition of*Crosstalk*, a publication of the former California Higher Education Policy Center, contains a special section on California Community Colleges with articles

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entitled, "Shared Governance: an Elusive Goal" , and "Erratic Board Governs Two-Year Colleges." These articles report that at the systemwide level, "the Board of Governors seems unable to focus on major problems, instead spending much of its time and energy on pet projects and personal vendettas." In another passage, the system's Consultation process is criticized because, "Chancellor Tom Nussbaum and the Board of Governors often do not make decisions until consensus has been reached at a monthly 'consultation council' . . . and the council seldom reaches consensus about anything."

Now, listening to this litany of major problems, you must be tempted to start up the proverbial bulldozer and push the whole mess off the cliff and back into the 20th century. As educators, you recognize the crucial role that community colleges have played in opening up opportunity for our people and bolstering the economic and social success of the State. And, you recognize that this role will be even more important as we move into the 21st century. We simply can't tolerate any structure of governance that impedes our colleges from fulfilling this role.

As the leader of California's Community Colleges, it would be easy for me, perhaps even politically expedient, to wave on the bulldozers and champion a completely different governance structure. But my twenty-two years of experience with this system counsels me not to succumb to this temptation. Community college governance is much more complex and subtle than the treatments we've been reading in the newspapers--even more complex and subtle than the treatments we've been receiving from the think tanks and blue ribbon commissions. There is much, much good in the way California Community Colleges are currently governed--much that should be preserved. On the other hand, there are definite weaknesses that must be addressed. However, without a deeper understanding of why the overall governance structure is weak, we are likely to draw the wrong conclusions and end up on entirely the wrong path.

The Apparent Answer Isn't Right

To illustrate how easy it is to end up on the wrong path, I suggest we take a closer look at the one solution that an increasing number of experts and think tanks are recommending: doing away with local governing boards. When one looks at the evidence, there are indeed some ostensible indicators that local boards no longer make sense, and that doing away with them would cure many ills at once. The line of reasoning goes something like this:

1) The passage of Proposition 13 in 1978 shifted control of the financing of the colleges from the local districts to the State. Districts can no longer levy taxes to create the revenue they need for district operations. Instead, funding levels for the colleges are determined by the State. Thus, state government should have the ultimate say in how the colleges are run.

2) The community colleges continue to be linked--through historical vestiges--with the K-12 schools, and this linkage contributes to the perception that the system is not a fully equal partner in the State's higher education system.

3) State laws passed in the 1980's requiring "free flow" (allowing students to attend the college of their choice rather than the colleges of their district) eliminated much of the rationale for local district boundaries and local boards. If students can attend anywhere they want, what is the "community" that the local board is responsible for?

4) In far too many districts, faculty unions and other organizations are exerting far too much influence on the local boards, thus creating roadblocks for innovation and change. And, in a growing number of cases, community college faculty are being elected to locals boards of trustees, thus encouraging a mind set that favors protecting employee interests over the best interests of the students, the community, and the State.

Thus, by doing away with local boards many problems would be solved at once. The incongruity between the finance and governance structures would be resolved. With college-based local governance and a systemwide Board, the system would look more like the California State University and the University of California. This structure would cure the perception problem that prevents the system from being an equal partner with the other two higher education systems. By moving salary determinations to the system level, the major motivation of faculty unions or other organizations for influencing or controlling local boards would be removed. In addition, the State would save money by removing the costs of district administration, and particularly the costs of collective bargaining in 71 separate district settings.

As tempting and elegant as this solution appears to be, I believe it to be both ill advised and politically impossible. First, let's address why it's not the right solution.

Fundamentally, while doing away with local boards might resolve the incongruity between the finance and governance structures, its implementation would create an even more fundamental incongruity between the mission and the governance of the colleges. Under our Master Plan for Higher Education, the mission of each college district is predicated on serving the needs of its community. The statutory mission for the colleges is very broad, and local governing boards are given the responsibility to apply this broad charge to the specific needs of their communities. While the advent of "free flow" does mean that a local governing board won't just be serving students within the district boundaries, the truth of the matter is that the vast majority of our students attend a community college that is reasonably close to their home or work. Eighty percent of community college students are working full or part time; and many of our students are low income. Economic necessities and time constraints are major factors that root our students to the communities in which they live and work. To serve these students, the focus of the mission must be very much local.

If we were to do away with local boards, there would still be campus presidents; campus communities of faculty, staff and students; advisory boards; and other linkages with the community. Why wouldn't these linkages be sufficient to keep the "community" in the mission? Well, suppose this is the case and let's put ourselves in the shoes of the system Board of Governors and its Chancellor. First, we should recognize that the campus presidents and all the staff are ultimately employed by the system board, and all would be accountable to our level. While we'd be interested in assuring that each campus was serving local community needs, as a system board we'd also be interested in assuring that our colleges respond to regional and statewide needs. So, picture us in Sacramento--removed from the 107 colleges. What kind of position would we be in to evaluate how well each campus was serving the needs of its community? Think of the tendencies to instead focus on how each campus was serving the regional and statewide needs. And, from the perspective of our campus presidents and their staff, think who they'd be motivated to serve and impress.

Apart from threatening the community-based mission of the colleges, doing away with local governing boards could jeopardize their funding. Currently, more than half of the total cost of financing

community colleges is supported by local property taxes. This funding source, in addition to its size, has stabilized college funding at times when state funds have not been growing. If the State were to do away with local governing boards, there would be no district boundaries, and, presumably, the colleges would cease to be local agencies of government. Under such conditions, why would the State continue to allocate property tax revenues to such institutions? The likely scenario would be for the State to assume the expense of funding the colleges by allocating less state money to cities and counties, and by enabling the property tax revenues to fund cities and counties. Removing this property tax-based funding of the colleges could thus have major funding implications.

Another major complication of doing away with local governing boards would be the selection, supervision, and evaluation of campus presidents. It is one task for the Board of Regents and President of the University of California to be selecting, supervising and evaluating nine campus Chancellors. And it is a different, even more complicated challenge for the Board of Trustees and Chancellor of the California State University to be selecting, supervising, and evaluating 23 campus presidents. But I can't even begin to get my arms around the challenge the Board of Governors and I would face if we were responsible for selecting, supervising, and evaluating 107 or more campus presidents! I have faith in my stamina, my judgment, and my abilities; and I have full faith in the Board of Governors. But no thank you to this task!

Aside from being ill-advised, eliminating local boards is politically improbable. In my view, the locally-elected trustees from around the state have a strong political presence; and the trustees, as a group, will resist any attempt to abolish their role. Many local trustees have strong working relationships with legislators, legislative staff, the Governor, or the Governor's staff. In this context, even if it were the right public policy, I'm betting the Legislature wouldn't pass a bill to do away with local boards.

Understanding Why the Current Governance Structure is Weak

Whether or not you embrace my argument that doing away with local boards is not the right answer, I think we could all agree that the deeper our understanding of why the structure of governance is weak, the more likely we'll be able to understand what needs to be done. Thus, before we proceed to develop the solutions, it's a good idea to understand more about why the current governance structure is weak. Let me address what I see are the three top reasons.

Weakness # 1: The community college governance structure is weak because rather than delegating broad authority to the system itself, the Legislature separately prescribes the functions of both the state and local boards in a highly prescriptive manner.

Instead of turning over governance of the institutions to a system board, as has been done with respect to the University of California and the California State University, the Legislature gives long lists of directives not only to the Board of Governors (about 500 statutes), but also local governing boards (about 1200 statutes). In this manner, the system Board of Governors and the local governing boards are little more than*servants* of the Legislature to carry out a long list of directives on behalf of that body. Put simply, how empowered would you feel if I gave you three hundred pages of statute directing your every activity on how I wanted you to run the colleges? Wouldn't you feel a whole lot better if I just gave you a few statutes that provided you broad authority to run the colleges?

When we examine the laws governing the University of California and the California State University,

we see the Legislature has delegated broad authority to a system governing board. In addition, w*do not* see the Legislature regulating the activities of the individual campuses. Thus, the system governing board is given a broad grant of authority, and the system board itself assumes responsibility for making many of the policy decisions that affect the operation of the campuses.

In contrast, because the scope of control over community colleges is so specific and directive--both to the system board and the local boards--the Legislature necessarily remains the primary place for resolving many community colleges issues and problems. Because most matters are controlled by statute, specific changes in policy cannot occur absent legislative action. The system is weak because it does not have the power to make the policy change. The system can only*recommend* the change and the Legislature is the ultimate governing board.

A vicious cycle thus occurs. Those in the colleges, including the various community college organizations and interest groups, view the Board of Governors as part of the State and know that the Legislature has the real control of most matters. The ineluctable tendency is to deal directly with the Legislature, which, in turn, creates the ineluctable tendency for a multitude of voices--often dissonant, I might add--before that body. This multitude of often-dissonant voices creates strong disincentives for the Legislature to empower a system that it does not view as unified or responsive. Put another way, if you're a legislator and all you see are community college groups fighting, how inclined are you to have confidence in the system? How inclined are you to want to fund the system?

Weakness #2: The governance of the system by the Board of Governors and local boards remains more of an Articles of Confederation rather than a true system with strong system and local roles that enable the respective boards to actually govern.

Those of you who are historians will recall that the Articles of Confederation created a "clumsy Congress" as the only agency of central government, leaving all real power to the states. The states, having just won control over taxes and commerce over Britain, had no desire to yield major authority to any government, not even one of their own making. Thus, the central government had neither the power to regulate commerce, nor to tax. As a structure of governance, the Articles of Confederation rather quickly proved to be weak. States quarreled over boundaries, trade, and commerce; currencies became unstable; and domestic insurrections increasingly threatened the states.

In the face of this instability, a constitutional convention was called that led to the durable federalism that makes up our nation's Constitution. While many of our founding fathers resisted any loss of power by the states, enough of them were convinced that it was in the best interests of the states for the federal government to be given clear and broad power in a number of critical areas.

Let's apply this history lesson to the community colleges. In 1967, the Legislature created a separate board for the junior colleges, the Board of Governors. The statutes essentially created a new state agency and vested the new Board with the same prescriptive list of powers and duties that had been held by the State Board of Education, the Department of Education and the Superintendent of Public Instruction. Just seven years earlier, the Legislature had created the Board of Trustees of the California State University, delegating it broad power to oversee the colleges. You have to be asking yourself, why wasn't this approach taken with respect to the community colleges?.

The reason for this decision is found in the reports of the Assembly Interim Committee on Education

(1965-66). Within the community colleges and within various community college advocacy organizations, there was a split of opinion not only about creating a separate Board of Governors, but also over what its powers should be. Many local officials were concerned about a substantive loss of local autonomy. Others argued that the lack of attention from the State Board of Education actually worked in the colleges' favor. In the end, the Legislature created a Board with very limited powers--one to focus on leadership and direction rather than one giving the Board plenary authority to govern the colleges.

But things changed. The passage of Proposition 13 in 1978 brought an era of increased legislative intervention and micromanagement. In the eight year period between 1978 and 1986, over 1750 statutes pertaining to community colleges were either added, amended, or repealed. The mechanism for funding the colleges was completely changed five times. Almost overnight, the colleges were required to delete $30 million worth of recreational and avocational courses from their catalogs. And, to top it off, the colleges were required to charge tuition for the first time. By 1987, consensus was starting to emerge within the colleges that perhaps a "system"--a system composed of the local boards and the Board of Governors--was needed as a means of bringing focus and limitation to what was becoming intolerable micromanagement by the Legislature.

Cutting to the chase, the end result of this effort was AB 1725, the 1988 reform bill. Among other things, AB 1725 created the California Community Colleges as a system--a system composed as the Board of Governors and local boards. In doing so, the bill delineated the respective powers of the Board of Governors and local boards, not unlike how our nation's Constitution specifies the roles of the federal and state governments. For once, the delegations of authority were broad--very unlike the prescriptive charges that been enacted for decades. AB 1725 also charged the Board of Governors to develop legislation to conform the rest of the Education Code with this broad delegation of authority; and this legislation was finally enacted in 1991.

While AB 1725 and the follow-up legislation were a quantum leap forward, the statutory structure still has aspects which render it more of an Articles of Confederation than a true system. Let me give you just a couple of key examples:

First, let's look at how the system is represented in the Legislature. The governance provisions recognize the role of the system board to, "provide representation, advocacy, and accountability for the colleges before state and national legislative and executive agencies." This role was assigned with the recognition that there would be great disharmony--a free for all--if each of the 71 districts attempted to represent its individual interests in the Legislature. Over time, however, a number of districts have continued to pursue their own interests directly with the Legislature. These districts point out that this activity is not prevented. Indeed, they argue that they have a legal responsibility to do everything possible to serve the needs of their districts. Thus, under the current governance structure, it is still possible for all 71 districts to be separately representing their interests in the Legislature.

Second, let's look at how the system intervenes when districts experience fiscal problems or severe management difficulties. The governance provisions recognize the role of the system to, "evaluate and issue annual reports on the fiscal and educational effectiveness of districts . . . and provide assistance when districts encounter severe management difficulties." While these provisions confer broad authority, other provisions of the Code are more limiting in terms of when the Board can intervene. District governing boards and community college organizations believed these statutes needed to stay in place

because they placed some reasonable limits on the Board's powers of intervention. As a result, the ability of the Board to intervene is much more prescribed than what one might think from reading the basic governance provisions. In my view, there have been times when matters have gone from bad to worse in certain districts, and still the system is without power to intervene. At times, the matter is simply too far gone by the time my office and the Board is legally authorized to come in and play a role. It hurts to watch a district go from bad to worse, knowing that an opportunity for discussion--an opportunity to help--might have turned the situation around.

At the bottom of all this are two factors--the same two factors that were at play at the time the Articles of Confederation were scrapped in favor of a Constitution. The governing boards are reluctant to trust the system board, and they are reluctant to give up power. Again, if we follow the lesson of history, we know that only when the states began to believe it was in their best interests to allow the federal government to have more authority did they actually allow the Constitution to be drafted in this manner.

Weakness # 3: The governance structure for community colleges was largely created by community college organizations and interest groups that continue to control and influence policy adopted by the Legislature, the Board of Governors, and local governing boards. These organizations and interest groups are reluctant to trust either the Board of Governors or local boards with stronger roles. In addition, these groups are not interested in giving up their control and influence of policy at the State, system, and local levels.

What many people outside of community colleges don't know is that AB 1725 was developed by a coalition of community college organizations known as, "Californians for Community Colleges." This coalition consisted of the major faculty unions and organizations, including the statewide academic senate; the chief executive officers association, the administrator's association, the trustees association, the classified employee's association, the student association, and the Board of Governors. The ground rules for this effort provided that unless all groups were comfortable with the concept and bill language for any particular item of reform, the item wouldn't be incorporated into the bill. In this coalition, the Board of Governors and Chancellor were simply one party, having no greater role or authority than any of the other participating organizations. The individual district governing boards, the other part of the system being created, were not directly involved in the negotiation and drafting of the reforms. Rather, their interests were represented by the trustees association and the chief executive officers association. Thus, the "constitutional convention" for creating the community college governance structure was not one developed through convening the Board of Governors and local governing boards. Rather, the AB 1725 governance structure resulted from a *coalition* of organizations and interest groups that had influence before the Legislature and the Board of Governors.

Quite understandably, the various organizations and interest groups sought to establish and protect their ability to participate in the development of policy at the system and local levels of governance. In some instances the protections were general--such as language calling for the Board of Governors to, "adopt minimum standards governing procedures established by district governing boards to ensure faculty, staff, and students the right to participate effectively in district and college governance . . ."

In other instances, the protections are quite specific. One calls for the Board to adopt policies to ensure, "the right of academic senates to assume primary responsibility for making recommendations in the areas of curriculum and academic standards." Elsewhere, provisions were inserted to require certain policies to, "be developed and agreed upon jointly by representatives of the governing board, and the

academic senate . . ." Finally, other provisions were added to expressly recognize that certain of the locally-adopted policies would be subject to collective bargaining.

At the system level, the reform bill called upon the Board of Governors to establish and carry out a process for "consultation" with the representatives of the districts and the various organizations--a process that is to be followed*before* policy is adopted. This right of consultation has especially important implications for matters that are ultimately decided by the Legislature and Governor. In this setting, representatives of the institutions, as well as the representatives of the interest groups and organizations are afforded the right to participate in shaping the recommendations of the Chancellor and Board of Governors regarding legislation and budget matters. However, these groups remain free to advocate their own recommendations to the Legislature, even if contrary to the adopted position of the Board of Governors.

Without a doubt, AB 1725 ushered in a new era of "shared governance" for the community colleges. At both the system and local levels, the various organizations and constituencies now have explicit legal rights not only to participate in policy development, but also to sometimes jointly determine policy.

But how has all this shared governance played out? In my 1995 monograph, "Evolving Community College Shared Governance to Better Serve the Public Interest," I analyzed the strengths and weaknesses of these shared governance mechanisms at both the local and system levels. I concluded:

"While the current structure of shared governance has many positive features and has enabled a quantum leap forward in improving the nature and quality of educational decision making, the structure has some tendencies to become dysfunctional and counterproductive. With careful handling these negative tendencies can be avoided or minimized; left unattended they will eventually overwhelm and defeat the purpose of the structure itself."

Some of the negative tendencies that have increasingly cropped up in the colleges include: 1) the structure tends to promote balkanization of the college and district--in that faculty unions, classified unions, academic senates, student organizations, and management groups tend to pursue their own organizational agendas; 2) the structure tends to promote turf wars between these organizations; 3) the structure tends to produce a budget which is cobbled together through a series of bilateral agreements between the district and each of these various groups; 4) the structure tends not to facilitate trust; 5) the structure tends to be unsound in terms of legal accountability--for instance, when a governing board can't act absent a mutual agreement, yet remains wholly accountable for the action or the failure to act; and 6) the structure tends to make the colleges less responsive to change.

At this point, before I get hung in effigy by the community college organizations and interest groups, I need to express my support for their role and recognize their contributions. While I believe the control and influence of community college organizations and interest groups has led to a weak governance structure in the sense that these groups have successfully resisted the clear and broad empowerment of the Board of Governors and local governing boards, this does not mean I think they should be done away with or precluded from effective participation in system and local governance. The community college organizations and interest groups have participated in shaping many sound public policy decisions at the system and local levels. They have fought for their legal rights to control or shape policy, and they cannot be expected to simply give up this authority so that the Board of Governors or local boards might have more consolidated authority to act. Reforming community college governance

will have to be accomplished with the participation and involvement of these organizations. Ultimately, one of two things must happen: the organizations must come to see the enabling of the system as something that is in their own best interests, or the State must come to see the enabling of system as something in the State's interests.

Given a better understanding of these three major weaknesses, we have better insight on how community college governance needs to be reformed. Quite simply, while the 1988 reform legislation created the California Community Colleges as a "system", this system has never been enabled to work. The reform was intended to establish governance by local boards and the Board of Governors--the "institutions"--and thus enable the system to operate "apart from, but in response to", the legislative and executive branches of State government, and all their attendant control agencies. Because of the prescriptive control of the Legislature, an Articles of Confederation-type relationship between the Board of Governors and the local boards, and the continuing control and influence of community college organizations, this system has never really been enabled to work. The result is that community colleges continue to have a weak system of governance that perpetuates legislative micromanagement and increases conflict at the State, system, and local levels of government.

Six Steps for Enabling System Governance to Work

I believe the concept of a system comprised of the Board of Governors and local boards is the most appropriate governance structure for the community colleges. The time has come to make this structure of governance work. I see six necessary steps.

1. Establish An Ongoing Series of Joint Meetings Between the Board of Governors and the Leadership of the Local Trustees: We must start by having the system and local boards come together to establish strong lines of communication and trust. A dialogue is needed to gain familiarity and establish mutual understandings about one another's role in the governance of the system. The Board of Governors and the leadership of the local trustees (the Executive Board of the Community College Trustees) should have a series of meetings--to be held annually thereafter--to explore, develop and maintain a number of critical understandings.

A first and fundamental topic the boards need to talk about is their respective roles regarding the *mission* of the colleges. The Board of Governors needs to understand that the programmatic response to the broad mission statement needs to be determined *primarily* at the local level. On the other hand, and increasingly in the 21st century, there are program needs at both the regional and state levels. College districts must be prepared not only to respond to local needs, they must also be prepared to respond to regional and State needs, particularly in the areas of workforce preparation and economic development. If districts have the unilateral authority to determine their program responses, then the state direction will simply be the cumulative response of 71 districts. In addition, if a district decides it wants to respond to a regional or state need, and it has unilateral authority to do so, there will be overlaps and duplication of effort. Local trustees need to understand the regional and statewide needs regarding the mission; and they need to be responsive to the Board of Governors in helping provide an orchestrated response.

As a second major topic, the boards need to talk about what should happen when a district experiences major fiscal difficulties. The Board of Governors needs to understand that local districts need a full opportunity to work through their difficulties. On the other hand, local trustees need to understand that waiting until a situation is irretrievable is not in the interests of the district or the system. Similarly,

common ground needs to be found as to the appropriate system response when a district is experiencing severe management difficulties.

A third topic for discussion is how legislative advocacy should be carried out. The boards need to identify and discuss the conditions under which local boards should be entitled to pursue their own legislative interests. Two rules of behavior I believe are necessary are: 1) a district should consult with the system office before pursuing its own interests, and 2) a district should not be entitled to pursue its own interests to the detriment of the other districts.

A different but equally important agenda matter for these meetings will be to bring the local trustees more directly into system policy development. In particular, the boards should jointly discuss and help formulate the system's annual legislative package, the system's annual budget proposal, and the system's long-term policy plan--something what we call, "The Basic Agenda". By having a greater role in helping shape the system's major policies, and particularly what will be the system's efforts in the Legislature, local governing boards will be more likely to understand and support these policies and efforts.

As to progress on this step, I'm pleased to report that on February 5th of this year, the first such meeting of local trustee leadership and the Board of Governors was held, and the next meeting is being set for mid-May. There is agreement for at least three meetings per year.

2. Involve the Local Boards in the System's Consultation Process Currently, the 71 district governing boards do not participate directly in the system's consultation process. Rather, the governing boards participate in the monthly meetings of the Consultation Council by means of having one of eighteen seats--a designee of the statewide trustees association. The time has come for the individual district governing boards--the institutions--to be afforded direct opportunities to participate in the development and review of system policy. Key items that deserve the direct input of the governing boards include the annual legislative package for the system, the annual budget proposal for the system, and the system's Basic Agenda. In providing this input, governing boards should be asked to engage their administrative staffs, their academic senates, their unions, and their student groups. By having this direct role of participation, particularly with respect to legislative matters, the local trustees will be more likely to understand and support system decisions.

As to progress on this step, the Board of Governors has recently decided to officially and formally request the input of the 71 local governing boards in the development of the annual system budget request, the annual system legislative package, and the system's Basic Agenda. The expanded processes will start this spring.

3. Consider Changes in the Composition of the Board of Governors and Local Boards An important item for dialogue between the boards is whether the composition of their respective boards should be changed to enable more communication and collaboration. As to the Board of Governors, current law provides for two of the sixteen members to be current or former trustees of districts. Increasing this number should be explored. As to local boards, current law provides for all members to be elected, and the Board of Governors has no role. One concept that deserves discussion is whether one or two of the members of each governing board should be appointed by the Board of Governors. These appointed members would be required to come from the community in which they serve, and the processes for nomination could involve the statewide trustees association. In this manner, outstanding

community leaders who do not wish to go through the expense and time of an election could be encouraged and enabled to serve on local boards.

4. Conform the Education Code to the Basic Statutory Structure of Governance: The Education Code needs to be conformed to enable the system to work. While the basic delineation of system and local functions contained in AB 1725 is essentially sound, the rest of the Code needs to brought into conformity. Statutes that undercut or limit the broad authority conferred to the local boards or the Board of Governors should be repealed or modified.

As to progress on this step, one of my first initiatives as Chancellor was to secure funding for a project to rewrite the entire Education Code as it pertains to community colleges. Work has been underway for over six months, and the concepts for a new Education Code will be unveiled this spring. We intend on having a bill for introduction in 1999.

5. Review and Improve Shared Governance: As part of their joint meetings, the boards should review and evaluate shared governance at both the system and local levels. In this light, I believe the time has come to look at how shared governance is practiced in the California State University and the University of California. In those systems, the system governing boards and the institutions themselves--and not the Legislature--are responsible for establishing policies and processes for shared governance. These policies establish strong roles for faculty, staff, and students, but stop short of requiring mutual agreement of any particular group before the system board or a campus president can act. Instead, the policies recognize and value the knowledge and experience of the groups--particularly the faculty--and identify who the system or campus will look to for the development of specific policies.

As to progress on this step, the Board of Governors has committed to review shared governance at the local and system levels during the next twelve months. The Board and local boards have also decided shared governance should be an item of discussion for the joint meetings.

6. Provide Ongoing Training on the Role and Function of Policy Boards: Both the Board of Governors and local boards of trustees should have formal training on their role and function as policy boards. The Board of Governors and local boards have the responsibility to set policy direction that is visionary and future-oriented, that represents multiple external and community interests, and that responds to direction from the Legislature. The unique and complimentary roles of the governing boards and their chief executive officers need to be understood. In addition, the traditions and practices of shared governance need to be understood and followed. And, finally, all boards should have an understanding of the role they play in the governance of the community colleges. Local boards should understand their partnership with the Board of Governors, including how they provide input into system policy. And the Board of Governors needs to understand its partnership with the local districts, including how the Board will enable the local trustees to run the colleges.

Always there are dangers that boards--not just community college boards--will micromanage, be captured or dominated by special interests, or spend themselves into bankruptcy. Ongoing training is a necessary element to limit these dangers.

Conclusion: We Must Accept Responsibility for Improving Governance

And so, as I close, I expect that we all may be coming to the same compelling conclusion: The reform

of community college governance is largely in our own hands. Over two hundred years ago, our founding fathers wrestled with their fears of central government and their desire to maintain state control. They had the courage to recognize the Articles of Confederation weren't working, that the union was weak, and that it was in their own best interests to create a more durable union. In a display of trust, and in the belief that their action was ultimately in their own best interests, they relinquished certain powers to a federal government. The trust paid off because the resulting Constitution has enabled America to prosper as a nation and remain strong as a government.

Now it's the community colleges turn. We probably have the political power to prevent virtually any legislative change that seeks to reform our governance. But is it not in our best interests and the interests of the State that we address our weaknesses as a system? As long as we are weak as a system, can we expect to be perceived and treated any differently by the Legislature? Can we ever expect equal status as a higher education partners? And, more selfishly, what chances will a weak system have to secure resources in an increasingly competitive environment? What does remaining the same say about the quality of our service to the people of the state? What does it say about our future?

It's time for the community colleges to take responsibility for securing their future and serving the people of this State. It is time for local boards and the Board of Governors to come together and actually enable the system to operate by taking the steps I've outlined. In their own best interests and in the interests of the State, it is also time for the community college organizations and interest groups to accept this challenge. As educators, I know you embrace the community colleges taking responsibility for their future. I hope you will join me in leading and convincing our trustees, our administrators, our faculty, our students, and all of our interest groups and organizations to finally enable a strong system of governance.

Thank you.